



Insurance

A Tailored Service

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BDO

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Insurance

A Tailored Service

Introducing the Insurance Sector at BDO

Guernsey has an international reputation as an insurance and reinsurance jurisdiction.

As Europe's leading captive insurance domicile, and the global number four, Guernsey is a first class destination for captive insurance. BDO is at the forefront of the insurance market having been advising insurance structures in Guernsey for over 20 years.

Today we represent a third of GFSC licensed Guernsey-based captives and over 60% of Guernsey-domiciled insurance linked securities (ILS) structures which are a primary structure of choice in Guernsey. Audit, tax, regulatory compliance and end of life services are core to our offering including acting as liquidator.

We work across the full range of structures, from incorporated cell companies (ICCs) and protected cell companies (PCCs), to pure captives and rent-a-cell insurance. Our track record and focus combine to offer deep experience of the many and varied types of risks being managed and placed through captive insurance special purpose vehicles in Guernsey.

In choosing BDO, our insurance clients benefit from:

- Professionals with extensive experience and knowledge of the insurance industry in Guernsey leading to proactive, tailored and targeted advice
- Consistent teams supporting each client
- Certainty in our understanding of the challenges our clients face and of the importance of managing financial, operational and regulatory risk
- Ready access to the BDO global network providing international support and a world-wide integrated service



Audit & Assurance

The rapidly changing financial and regulatory environment makes the fulfilment of corporate governance and regulatory requirements ever more complex. Sound decision-making needs accurate, timely data and analysis and that's where we come in.

Our multi award winning experienced team of Guernsey based professionals are adept at using a blend of the latest technology and frequent visits to insurance managers to offer clarity and efficiency throughout the audit process. We regularly attend board meetings upon request and have developed strong working relationships with the local insurance managers and Non Executive Directors (NEDs) allowing us to adapt our approach as necessary.

Beyond our comprehensive audit, BDO's wide range of assurance support provides clients dealing with complex structures, assets and transactions with the confidence of an independent review. Our audit and assurance services give confidence to the regulator and to other key stakeholders and can be tailored to provide the best assurance for each client's business.

We can assist you with:

- Audit & Assurance
- Actuarial & Regulatory consulting
- Financial statements preparation
- Financial reporting advisory
- Tax structuring, planning and compliance
- Corporate governance
- Internal controls reporting

Services

Audit Services

- Statutory audit
- Non-statutory audit
- Special purpose audit
- Internal audit

Assurance Services

- Controls assurance
- Assurance review
- Agreed upon procedures
- Service organisation reporting

"Their planning and preparation guidance was incredibly useful and their pragmatic and reasonable approach to the additional disclosure and accounting requirements was very refreshing."

MANAGING DIRECTOR Guernsey insurance manager

KEY CONTACTS



NATHAN HODDER

Audit Director

T 01481 746064

E nathan.hodder@bdo.gg



NICK LE HURAY

Senior Audit Manager

T 01481 746054

E nick.lehuray@bdo.gg



ROB MCGREGOR

Audit Manager

T 01481 741621

E rob.mcgregor@bdo.gg

Audit & Assurance

Overview

This table provides a decision making path when determining the benefits offered by audit and assurance options.

Service	Reporting	Benefits	Typical Applications
Statutory Audit	ISA UK 700 audit report	Audit conducted in accordance with International Standards on Auditing (UK) and the applicable company law.	Captive insurance managers and licensed insurers. Used for completion of annual returns and ensuring compliance for regulatory filing and other third party references such as banks and fronting insurers.
Non-Statutory Audit	ISA UK 800 audit report	Audit conducted in accordance with International Standards on Auditing (UK) (but not company law), usually in accordance with the derogation provided in respect of FRS 103.	Where insurance entities have obtained the derogation and the financial statements are not prepared under company law, providing highest level of assurance to users.
Internal Controls	ISAE 3000 / 3402 reports on internal controls (and equivalents)	Independent assurance and feedback on relevant controls at an entity or service organisation.	Where stakeholders of an entity or service organisation, require or would otherwise benefit from independent assurance that controls within the entity or service organisation (operational and/or IT) are appropriately designed and operating consistently and effectively. Stakeholders would include directors, owners and existing and prospective clients (and their respective external auditors).
Agreed Upon Procedures	Factual report on procedural findings	Fully bespoke to the stakeholder's requirements. The scope of work and procedures can be tailored to meet the users budget.	Where independent and factual reporting against bespoke criteria provides benefit to users.
Internal Audit	International Standards for the Professional Practice of Internal Auditing (Standards)	Internal Audit conducted in accordance with International Standards for the Professional Practice of Internal Auditing (Standards) to help assist the captive board to protect the assets, reputation and sustainability of the entity.	An assessment whether all significant risks are identified and appropriately reported by the Captive's Management and the Risk function to the Board; assessing whether the risk identified are adequately controlled; and by challenging Executive Management to improve the effectiveness of governance, risk management and internal controls.

Financial Reporting Advisory

Keeping pace with evolving accounting and regulatory environments together with updates to accounting standards can be challenging. From Guernsey, BDO's professionals can help you to apply requirements in practice.

Our outsourced financial reporting services provide clients with direct access to accounting and financial reporting expertise.

We support our clients' in-house resources by offering specialist expertise and processes which may be otherwise difficult to source. By understanding and scoping the specific accounting requirements we then provide a tailored solution to financial services clients, be this specialist technical support, help to cover a short-term gap or to support workflow at a particular time of year.

Services:

- Accounting opinions on the application of UK GAAP and IFRS
- Accounting framework conversion projects
- Preparation of consolidations
- Financial statement preparation
- Preparation of audit packs and liaison with auditors in relation to the financial statements
- Drafting disclosures on the adoption of individual accounting standards
- Training client staff on specific accounting matters
- Preparing technical presentations on specific accounting matters

KEY CONTACTS



NATHAN HODDER

Audit Director

T 01481 746064

E nathan.hodder@bdo.gg



NICK LE HURAY

Senior Audit Manager

T 01481 746054

E nick.lehuray@bdo.gg

Financial statement preparation

BDO provides outsourced financial statement preparation services to the insurance sector. Qualified professionals experienced in the sector and based in Guernsey will undertake the financial statement preparation and if desired liaise directly with your chosen auditor and present to the audit committee and board.

Our financial statements preparation team includes a number of insurance sector specialists.

You get the benefit of technically up to date, sector experienced and qualified staff undertaking the preparation of your financial statements for a high-quality solution. We provide the benefit of staff trained to the current standards removing the headache of you having to resource the qualified staff yourself.

The approach we take and procedures we apply to our financial statement preparation assignments are based on our experience of the industry sector you work in and on your business requirements.

Tax

Captive structures have international tax considerations and opportunities which need to be assessed – particularly in a global tax landscape that is constantly evolving and growing in complexity.

Having an adviser with international expertise and a depth of understanding of the tax implications facing cross-jurisdictional structures is essential.

At BDO, our clients value our expertise and command of the issues. Our role as tax professionals is to help you to manage your business efficiently and effectively, reducing your risk exposure.

Global commercial operations will often have insurance and tax affairs that span jurisdictions. With a presence in over 168 countries, BDO offers expertise in tax efficient cross-border structures and international tax advice that can help you wherever you are in the world.

Insurance Related Tax Services:

- Guernsey & UK tax compliance services
- Appropriate advice for structuring and holding insurance vehicles
- Advice and assistance with Tax Information Exchange Reporting requirements (such as FATCA and CRS)
- Advising on Guernsey's new Economic Substance rules including their practical application in the insurance sector
- Assistance and support with the compliance requirements arising from the Economic Substance regulations
- Advice and assistance in connection with transfer pricing
- Advice on other UK anti-tax avoidance rules as they affect the insurance sector (such as the Controlled Foreign Companies requirements and the Diverted Profits Tax)

KEY CONTACTS



ANDRE TREBERT

Executive Director

T 01481 746064

E andre.trebert@bdo.gg



CALEY CLARKE

Tax Director

T 01481 746052

E caley.clarke@bdo.gg



MARK SAVAGE

Tax Director

T 01481 746064

E mark.savage@bdo.gg

Restructuring

Sometimes an insurance vehicle will have outlived its original purpose and in such cases considering a restructure or a liquidation may be appropriate.

At BDO, our restructuring services to insurance clients see us assist with the wind down and liquidation of captive vehicles.

During its active life, the entity will have developed insurance liabilities that need to be disposed of appropriately. Shareholder funds also need to be returned taking into account the relevant costs and obligations. We offer the specialist restructuring accounting and tax expertise that is needed to ensure that all compliance reporting obligations continue to be met in line with the changes to the structure.

Services:

- Assisting both Guernsey and entities registered in other jurisdictions e.g. BVI and Cayman
- Restructuring and winding up of insurance entities
- Tax, compliance and reporting obligations

"We work with clients and their advisers to establish a clear way forward"

KEY CONTACT



WILLIAM CALLEWAERT

Business Advisory Director

T 01481 741613

E william.callewaert@bdo.gg



Actuarial Services

BDO in Guernsey has the capability to provide insurance clients with actuarial services, including access to qualified actuaries, data scientists and risk and capital experts, provides a wide range of actuarial advice and support.

Clients can benefit from a wide spectrum of actuarial advice and support, incorporating advanced business practices, market-leading technology and state-of-the-art risk modelling techniques to deliver a range of powerful solutions and services.

By helping insurers understand the increasingly complex risks they face, our aim is to help clients develop strategic risk management insight and actions. Our team's detailed knowledge of the London market, corporate and captive insurance sectors enables us to provide our clients with this valuable insight.

Services:

- Actuarial reserve reviews
- Capital evaluation under Solvency II
- Reserving and pricing
- Re-insurance design and optimisation
- Due diligence
- Company start-up and authorisation
- Capital modelling and risk management
- Internal model validation
- Statement of Actuarial opinion
- Commutation
- Restructuring, sale and purchase
- Expert reporting

KEY CONTACT

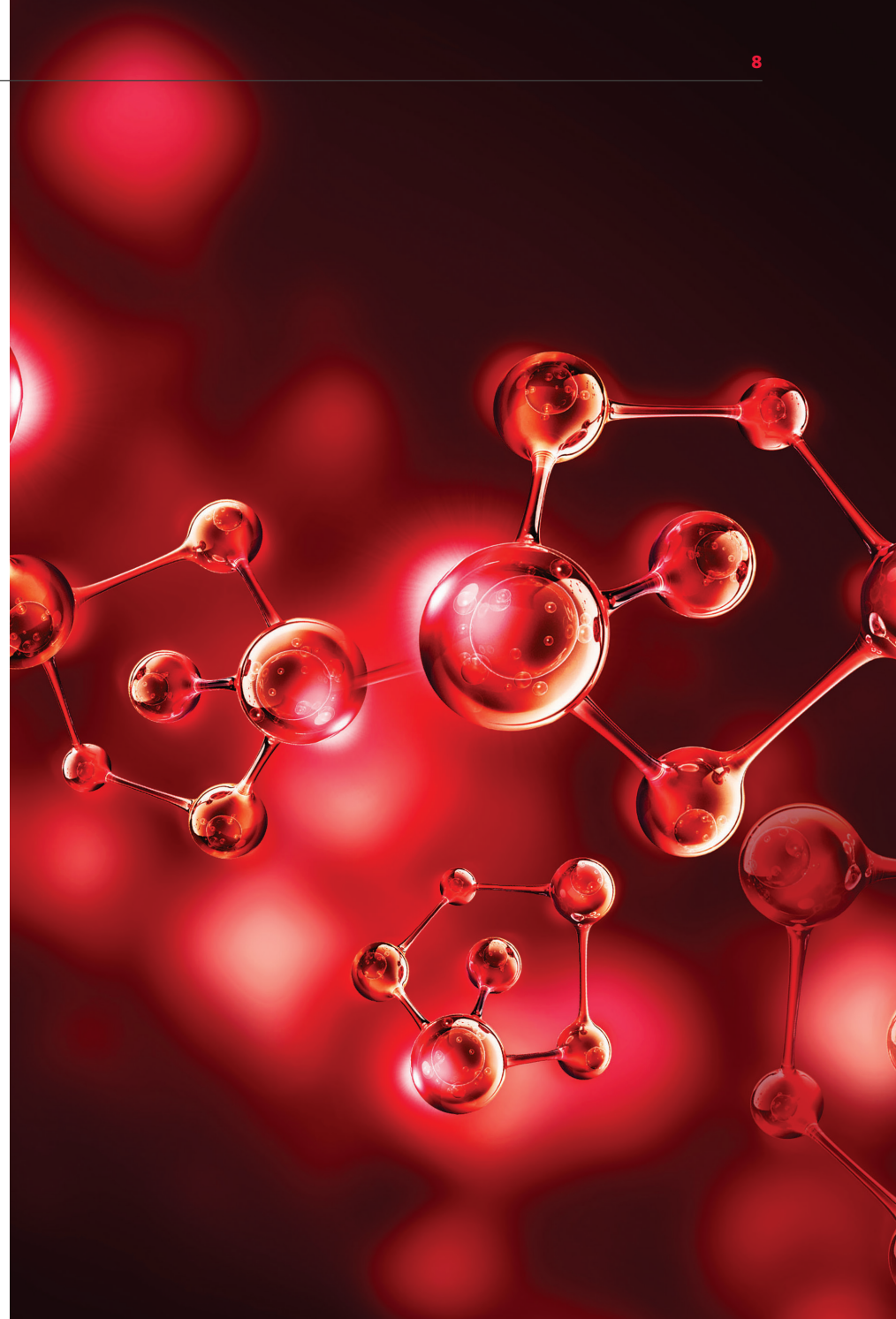


NATHAN HODDER

Audit Director

T 01481 746064

E nathan.hodder@bdo.gg



Regulatory Compliance Services

Guernsey's modern and sophisticated regulatory environment and its established service provider network supports the appeal Guernsey has as a solution for captive insurance owners.

Any captive will be subject to regulatory requirements throughout its life cycle. With a typical subsidiary company that is established to insure the risks of others in its wider group structure, the captive will be bound by the same corporate governance aspects that apply to the consolidated group.

BDO's Regulatory Consulting team offers valuable consultancy to regulated businesses in Guernsey. Our team has established excellent working relationships with the local regulator, including over 20 years spent at the Guernsey Financial Services Commission. We provide robust governance, risk and compliance services, shaped to the specific objectives, requirements and risks of the structure.

Services:

- Independent reviews
- Compliance support
- Training
- Fintech / Reg Tech

KEY CONTACTS



PAUL ROBINSON
Business Advisory Director
T 01481 746090
E paul.robinson@bdo.gg



DAWN SEALEY
Business Advisory Director
T 01481 746063
E dawn.sealey@bdo.gg



Risk Advisory

Governance, Risk and Compliance

Today's corporate governance requirements are transforming both the role of boards and general business operations. Shareholders, regulators and financiers are among just some stakeholders who expect good quality and transparent governance standards.

When it comes to governance there is no one size fits all and developing the practices that are commercially relevant is important. BDO's governance services support the governance needs of Insurance Managers and Captive Boards.

Services:

- An independent assessment of your current governance practices
- Design of board and committee charters as well as instruments of delegation and policies
- Board and committee performance evaluation
- Assurance Mapping for Board and Risk and Audit Committees whereby all assurance sources are mapped against risk and controls
- Governance training
- Strategic governance advice to Boards and CEOs
- GDPR compliance

KEY CONTACT



PAUL ROBINSON

Business Advisory Director

T 01481 746090

E paul.robinson@bdo.gg



Cyber Security

The risk of cyber-attacks to the insurance sector at large, including to data rich licensed insurance vehicles is very real. There is a strong connection between private and confidential information being stolen and the reputational impact that can have upon private individuals.

As digital technology continues to transform data management, the potential impact of a cyber-attack remains on every risk agenda. BDO's Cyber Security professionals help our clients to better understand the threats and vulnerabilities that are relevant to themselves and to their businesses. We offer a wide range of independent solutions that will provide a third-party endorsement of your information security practices, from high level assessments to deeper intrusive assessment of the security configuration.

BDO's team offers expertise across a wide range of security standards that apply to different industries as well as the sort of data your business holds. Our methodologies help you to meet the requirements of standards including PCI DSS, Cyber Essentials and ISO27001/2.

Services:

- Cyber breach readiness assessment
- Cyber breach response planning
- Security compliance

KEY CONTACT



ROB MCGREGOR

Audit Manager

T 01481 741621

E rob.mcgregor@bdo.gg



Why BDO for Insurance?

Testimonials

“

Thorough and personable.

”

“

It is a collaborative process.

”

“

They service businesses in a more personal way.

”

“

We have very quickly developed a good partnership.

”

“

We receive good, solid down-to-earth advice and it is a pragmatic experience.

”

Awards

BDO is an award winning team, comprising some of the leading voices in the industry.



About BDO

As the fifth largest global accounting practice, BDO works for you globally in over 167 countries and territories, from 1,658 offices.

BDO's business culture is distinguished by our focus on helping people to be successful. It's why we do what we do. We support our people to be entrepreneurial and innovative in their thinking and we always strive to enable our clients' goals, facilitating the journey through our approach, wide experience and professional expertise.

We're a firm that works hard to earn the trust of our clients. We offer steadfast experience in Guernsey's insurance, commercial, funds and asset management and private wealth sectors. Our advice is tailored to the market, industry and circumstances of each client. Our business is locally owned and, through our team of over 80 people in Guernsey, we offer audit, tax, business advisory and outsourcing services.

Clients tell us that we are collaborative, practical and hands on and that we communicate in plain, straightforward language. They also appreciate our ability to make quick and robust decisions and to be proactive. We provide confident advice and support our clients in the practical implementation of it.

Get in touch to find out more about how we can help.

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Contact

If you would like to know more, get in touch.

T 01481 724561

E enquiries@bdo.gg

www.bdo.gg

BDO Limited
PO Box 180
Place du Pré
Rue du Pré
St Peter Port
Guernsey GY1 3LL



ROB MCGREGOR

Audit Manager

T 01481 741621

E rob.mcgregor@bdo.gg



WILLIAM CALLEWAERT

Business Advisory Director

T 01481 741613

E william.callewaert@bdo.gg



PAUL ROBINSON

Business Advisory Director

T 01481 746090

E paul.robinson@bdo.gg



CALEY CLARKE

Tax Director

T 01481 746052

E caley.clarke@bdo.gg



MARK SAVAGE

Tax Director

T 01481 748450

E mark.savage@bdo.gg

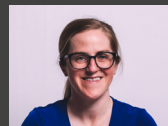


NATHAN HODDER

Audit Director

T 01481 746064

E nathan.hodder@bdo.gg



DAWN SEALEY

Business Advisory Director

T 01481 746063

E dawn.sealey@bdo.gg



NICK LE HURAY

Senior Audit Manager

T 01481 746054

E nick.lehuray@bdo.gg



ANDRE TREBERT

Executive Director

T 01481 741610

E andre.trebert@bdo.gg